Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

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PAGE 01 BRUSSE 18317 092120Z
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 CIAE-00 INR-05 L-01 EB-04
SP-02 TRSE-00 EA-06 NSAE-00 IO-06 /047 W
----------128123 101033Z /13
R 091801Z DEC 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 3650
INFO ALL EC CAPITALS
AMEMBASSY TOKYO
USMISSION GENEVA

C O N F I D E N T I A L BRUSSELS 18317

LIMDIS

USEEC

PARIS ALSO FOR OECD

E.O. 11652: GDS
TAGS: EEC, JA, ETRD
SUBJECT: EC-JAPAN: PRESENTATIONAL PROBLEMS WITH CURRENT ACCOUNT REDUCTION MEASURES

REF: BRUSSELS 17947

1. WE HAVE HEARD FROM A COMMISSION SOURCE THAT PRESIDENT JENKINS FOLLOWED UP THE EUROPEAN COUNCIL DISCUSSION OF THE PROPOSED JAPANESE CURRENT ACCOUNT REDUCTION MEASURES, IN WHICH THE JAPANESE WERE OBLIQUELY CRITICIZED FOR NOT OFFERING TO CONSULT WITH THE EC AS WELL AS THE US (BRUSSELS 17947),

BY CALLING IN THE JAPANESE AMBASSADOR. REPORTEDLY, JENKINS BLUNTLY TOLD THE AMBASSADOR THAT IF JAPANESE SENT A DELEGATION TO THE US TO CONSULT ON THE MEASURES AND DID NOT SEND A SIMILAR DELEGATION TO BRUSSELS,
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HE WOULD CONSIDER IT "AN UNFRIENDLY ACT".

2. THE QUESTION OF PROPOSED JAPANESE MEASURES WAS SUBSEQUENTLY DISCUSSED BRIEFLY BETWEEN THE CHARGE AND JENKINS' CHEF DE CABINET, CRISPIN TICKELL. TICKELL INDICATED THAT THE EC DOES NOT HAVE ANY PARTICULAR PROBLEMS WITH WHAT IT KNOWS OF THE SUBSTANCE OF THE

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PROPOSED PACKAGE. IT IS DISMAYED, HOWEVER, AT THE MANNER IN WHICH THE JAPANESE HAVE HANDLED THE PRESENTATION OF THEIR PROPOSED MEASURES. TICKELL STATED THAT THE JAPANESE HAVE MADE A "FUNDAMENTAL PSYCHOLOGICAL ERROR AND A BIG TACTICAL MISTAKE" IN NOT HAVING OFFERED TO CONSULT WITH THE EC ON THIS MATTER. HE ADDED THAT THE EC, AFTER ALL, HAS A LARGER TRADE DEFICIT WITH JAPAN THAN DOES THE US AND THE POLITICAL AND ECONOMIC PROBLEMS WHICH FOLLOW FROM IT ARE AT LEAST EQUALLY AS SERIOUS.

3. TICKELL CONCLUDED THAT SINCE THE PROBLEM IS PRESENTATIONAL RATHER THAN SUBSTANTIVE, IT SHOULD BE RELATIVELY EASY FOR THE JAPANESE TO DEAL WITH. IN EMPHASIZING PROCEDURAL POINT AT THIS STAGE, TICKELL DID NOT MEAN TO IMPLY THAT COMMISSION WOULD BE SATISFIED WITH SUBSTANCE OF JAPANESE PROPOSALS. UNTIL EC KNEW WHAT THEY WERE, IT COULD OFFER NO JUDGMENT ON THEIR ADEQUACY. HINTON

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Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: ACCOUNTS, TRADE
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Sent Date: 09-Dec-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Expiration:
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From: BRUSSELS USEEC
Handling Restrictions:
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Litigation History:
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Reference: 77 BRUSSELS 17947
Retention: 0
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